



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY
LANSING



MARIANNE UDOW
DIRECTOR

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on FIA
Michigan State Senate
State Capitol
Lansing, Michigan 48933

The Honorable Jerry Kooiman, Chair
House Appropriations Subcommittee on FIA
Michigan House of Representatives
State Capitol
Lansing, MI 48933

Dear Senator Hardiman and Representative Kooiman:

Section 417 (2) of 2003 Public Act No.172 requires the Family Independence Agency to report on the use of the 3.75% allocated from the Community Services Block Grant to fund a Bureau of Community Action and Economic Opportunity and a Commission on Community Action and Social opportunity. That report is attached.

It includes 1) the number of full-time equated employees funded; 2) administrative duties performed; and 3) a description of the relationship between duties of the Bureau and Commission.

If you have any questions about the attached material, please contact Ed LaForge at 241-4871.

Sincerely,

Marianne Udow

Attachment

C: Senate and House Appropriations Subcommittees on FIA
Senate Standing Committee on Families & Human Services
House Standing Committee on Family & Children Services
Senate and House Fiscal Agencies

**Report on use of Community Services Block Grant Administrative funds
as required by
PA 172 of 2003**

Section 417 (2) of PA 172 of 2003 requires:

“The department shall report to the senate and house appropriations subcommittees for the family independence agency budget, the senate and house standing committees on human services matters, and the senate and house fiscal agencies on the use of the funds described in subsection (1). The report shall include all of the following:

(a) Number of full-time equated employees funded.

(b) Administrative duties performed.

(c) The relationship between duties and the bureau of community action and economic opportunity and the commission on community action and social opportunity.”

Background:

The Bureau of Community Action and Economic Opportunity was established within the Family Independence Agency in conjunction with the agency-wide reorganization that occurred on March 24, 2004. A Bureau Director, Ed LaForge, was appointed effective July 6, 2004. The Bureau has been active in working to establish additional positions to ensure that the required functions outlined in PA 123 of 2003, the Act that established the Bureau, can be adequately fulfilled.

Number of full-time equated employees funded:

There are currently 11 staff working for the Bureau. However, two of those staff are entirely funded out of weatherization funds and are not supported at all by CSBG administrative funds. The remaining Bureau staff are charged to a cost pool that includes CSBG administrative funds, Department of Energy (DOE) weatherization administrative funds, and small portions of other federal funding sources. The amount of administrative funds charged to each source is directly related to the amount of time each employee spends working on that particular program. Through three quarters in FY 2004, the average time spent on CSBG for the cost-pooled staff was 56.2%, which equates to **5.06 FTEs charged to the Community Services Block Grant** based on the current number of Bureau employees charged to the cost pool.

Administrative duties performed:

The administrative duties performed by the Bureau of Community Action and Economic opportunity include the following:

- Administration and oversight of the federal Community Services Block Grant (CSBG) for the State of Michigan

- Administration and oversight of the federal DOE weatherization assistance program for the State of Michigan
- Administration of the federal Community Food & Nutrition funds (CF&N) for the State of Michigan
- Oversight of other funding sources allocated to the state's 30 Community Action Agencies (CAAs) and Limited Purpose Agencies (LPAs) such as Low Income Home Energy Assistance Program (LIHEAP) and Temporary Assistance to Needy Families (TANF)
- The execution of separate contracts for each of the funding sources flowing through the Bureau to CAAs & LPAs as well as other grantees including Native American organizations.
- Monitoring each CAA & LPA on a yearly basis
- Assisting CAAs with planning and reporting including the Results Oriented Management and Accountability (ROMA) reporting
- The provision of training and technical support to the state's 30 CAAs and 3 LPAs
- Assessment of CAAs to determine any evidence of "at risk" agencies and assisting agencies with mitigating that risk
- Providing community outreach and advocacy for the community action network
- Developing new and innovative projects with the CAA network such as the Earned Income Tax Credit Initiative and the "Soup and Salad" Child Gardening Project

The relationship between the duties of the Bureau and the Commission on Community Action & Economic Opportunity:

The Commission on Community Action & Economic Opportunity has not yet been formed. The Family Independence Agency has been working with the Governor's office to establish membership for the Commission, but that process is not yet complete. It is expected that the Commission members will be appointed and begin meeting early in FY 2005. Once established, it is expected that the Commission will perform the duties specifically outlined in PA 123 of 2003 and will coordinate duties closely with the Bureau.